OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

FOR THE PERIOD APRIL 1, 2001 TO MARCH 31, 2002

103-01842/

Office of the Ombudsman

Financial Statements

As at March 31, 2002

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

As at March 31, 2002

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AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Office of the Ombudsman as at March 31, 2002 and the statements of changes in net liabilities, operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Office of the Ombudsman has chosen to follow the corporate accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. Capital assets costing less than $15,000 are expensed in the year acquired and are not recognized as assets in the accompanying statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the statement of operations. In my opinion, an amount of approximately $176,325 representing the net book value of these assets as at March 31, 2002, should be recognized as capital assets. This understatement of capital assets also results in a net understatement of expenses of approximately $3,652 for the year ended March 31, 2002.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn CA
Auditor General

Edmonton, Alberta
May 28, 2002

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2002

	2002	2001
Current assets:		
Cash	$ 300	$ 300
Advances	4,500	4,500
	$ 4,800	$ 4,800
Current liabilities:		
Accounts payable and accrued liabilities	$ 174,968	$ 165,522
Net liabilities	(170,168)	(160,722)
	$ 4,800	$ 4,800

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN NET LIABILITIES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Net liabilities at beginning of year	$ (160,722)	$ (233,251)
Net operating results	(1,476,365)	(1,390,583)
Net transfer from general revenues	1,466,919	1,463,112
Net liabilities at end of year	$ (170,168)	$ (160,722)

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Note 4)	Actual	Actual
Expenses: (Note 4)			
Voted:			
Salary, wages, and employee benefits		$ 1,180,626	$ 1,151,215
Supplies and services		263,101	229,056
	$ 1,754,000	1,443,727	1,380,271
Valuation adjustments			
Provision for vacation pay		32,638	10,312
Net operating results		$ (1,476,365)	$ (1,390,583)

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	$ (1,476,365)	$ (1,390,583)
Non-cash items:		
Increase in accrued vacation pay	32,638	10,312
	(1,443,727)	(1,380,271)
Decrease in accounts payable and accrued liabilities [a]	(23,192)	(82,791)
Cash used by operating transactions	(1,466,919)	(1,463,062)
Financing transactions:		
Net transfer from general revenues	1,466,919	1,463,112
Net cash provided	-	50
Cash, beginning of year	300	250
Cash, end of year	$ 300	$ 300

[a] Adjusted for accrued vacation pay

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Ombudsman is an officer of the Legislature who operates under the authority of the Ombudsman Act. The net cost of the operations of the Office of the Ombudsman (the Office) is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are approved by the Standing Committee on Legislative Offices.

The Office promotes fairness in public administration within the Government of Alberta.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government of the Province of Alberta. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for these government policies. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

a) Reporting Entity

The reporting entity is the Office of the Ombudsman which is a legislative office, for which the Ombudsman is responsible.

The Office operates within the General Revenue Fund (the "Fund"). The Fund is administrated by the Minister of Finance. All receipts of the Office are deposited into the Fund and all disbursements made by the Office are paid from the Fund.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting

Expenses

Expenses represent the costs of resources consumed during the year on the Office's operations.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employee service relating to prior years.

Certain expenses, primarily for office space, incurred on behalf of the Office by government departments are not reflected in the Statement of Operations but are disclosed in Schedule 2.

Valuations Adjustments

Valuation adjustments represent the change in management's estimate of future payments relating to vacation pay.

Assets

New systems development below $100,000 and other capital assets below $15,000 are expensed as acquired. Assets acquired by right or donation are recorded at nil cost.

Net Liabilities

Net liabilities represent the difference between the recorded value of the assets of the Office and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Lease Obligations or Commitments

The Office leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2003	$ 9,105
2004	7,560
2005	4,890
Total	$ 21,555

Note 4 Budget

Expenses:

2001-02 authorized budget[(a)]	$ 1,754,000
2001-02 actual expenses (excluding valuation adjustments)	1,443,727
2001-02 unexpended (excluding valuation adjustments)	$ 310,273

(a) Legislative Assembly Estimates approved on May 31, 2001.

Note 5 Defined Benefit Plan (in thousands)

The Office participates in the multiemployer pension plans, Management employees Pension Plan and Public Service Pension Plan. The expense for these pension plans is equivalent to the annual contributions of $63 for the year ended March 31, 2002 (2001 $60,342)

At December 31, 2001, the Management Employees Pension Plan reported a surplus of $5,338 (2001 - $170,858) and the Public Service Pension Plan reported a surplus of $320,487 (2001 - $635,084).

The Office also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of $8,646 (2001 - $12,710) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $2,656 (2001 - $4,583). The expense for these two plans is limited to employer's annual contributions for the year.

Note 6 Approval of Financial Statements

These financial statements were approved by the Senior Financial Officer and the Ombudsman.

Schedule 1

OFFICE OF THE OMBUDSMAN

SALARY AND BENEFITS DISCLOSURE

FOR THE YEAR ENDED MARCH 31, 2002

	2002			2001
	Salary [1]	Benefits and Allowances [2]	Total	Total
Senior official				
Ombudsman [3]	$ 119,633	$ 4,498	$ 124,131	$ 123,924

(1) Salary includes regular base pay, bonuses, overtime and lump sum payments.

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, and tuition fees.

(3) Automobile provided, no dollar amount included in benefits and allowances.

Schedule 2

OFFICE OF THE OMBUDSMAN

SCHEDULE OF ALLOCATED COSTS

FOR THE YEAR ENDED MARCH 31, 2002

	2002				2001
		Expenses - Incurred by Others	Valuation Adjustments[3]		
Program	Expenses[1]	Accommodation Costs[2]	Vacation Pay	Total Expenses	Total Expenses
Operations	$ 1,443,727	$ 194,980	$ 32,638	$ 1,671,345	$ 1,642,542

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(2) Costs shown for Accommodation (includes grants in lieu of taxes), allocated by square footage.

(3) Valuation Adjustments as per Statement of Operations. Employee Benefits provision were allocated by employee.